

**RESOLUTION ON DELINQUENT ASSOCIATION DUES COLLECTION PROCEDURE**

Policy Resolution of Franklin Colony Club Association located in West Bloomfield, Michigan. A resolution pertaining to the procedure for the collection of delinquent Association dues.

**WHEREAS;** the Association, through its duly elected Board of Directors, has a responsibility for collection of homeowner Association dues.


**WHEREAS;** the following collection procedure is established by the Board of Directors.

1. The Association dues for each unit is an annual charge, and is deemed payable in twelve monthly installments. These installments are **due on the first** of each month, and are considered delinquent and in default on the **10<sup>th</sup>** of the month.
2. Delinquent dues will cause a late charge in the amount of \$10.00, or any other such amounts as may be determined by the Board of Directors, to be automatically levied for each month the delinquent dues are not fully paid.
3. **FIRST MONTH:** Notice of the delinquency, the late charge levied, and any other costs charged to the homeowner's account shall be sent to the homeowner by the Association, or its designated agent by the 25<sup>th</sup> day of the month the delinquency occurs.
4. **SECOND MONTH:** If full payment of the delinquent dues, late charges(s) and any costs are not received by the 10<sup>th</sup> of the second month, unless other satisfactory arrangements have been made with the Board of Directors; and/or its designated agent, the following steps will be taken:
  - a. The Board of Directors may elect to take the following action: All unpaid installments of the annual dues and any additional assessments for the pertinent fiscal year could be immediately deemed due and payable and all unpaid installments and/or portion of any special assessment levied against the unit could be immediately due and payable.
  - b. The matter will be turned over to the Association's attorney for handling, an "Intent to Lien" will be sent to the delinquent homeowner advising that failure to pay the delinquency in full will result in the Association filing a lien against the unit property.
5. **THIRD MONTH:** If full payment of the delinquent dues and/or assessment(s), late charge(s) and any costs are not received by the 10<sup>th</sup> of the third month, unless other satisfactory arrangements have been made with the Board of Directors, and/or its designated agent, the following steps will be taken:
  - a. The matter will already be at the Association's attorney for handling, a lien will be filed and notice of same will be sent to the delinquent homeowner and the unit mortgage lender will be notified of the delinquency, if applicable.
6. **FOURTH MONTH:** If the delinquency or any part thereof continues past the 10<sup>th</sup> day of the fourth month, the Association may institute a lawsuit for the foreclosure of the lien and/or money damages for unpaid dues or assessments and/or any other claims that the Association, through its legal counsel, may deem appropriate.
7. The expenses incurred in collecting the delinquency, including without limitation, late charges, interest, costs of collection and enforcement, including actual attorney's fees (not limited to the statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the homeowner in default and shall be secured by the lien on the homeowner's unit.
8. Failure to meet any of the time periods set forth herein shall not be deemed a waiver of the right of the Association to enforce or pursue its Delinquency Procedure.

**THEREFORE,** be it declared that this resolution was approved by Franklin Colony Club Association on November 11, 2013 and will become effective January 1, 2014.

Witness:

  
Secretary of the Association

Signed:   
President of the Association